GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:3940
ANSWERED ON:13.08.2015
Low Cost Financing for Renewable Energy
Hansdak Shri Vijay Kumar

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) the initiatives being taken by the Government in coordination with different Ministries/Departments to mobilise low cost financing for renewable energy projects;

(b) whether the Government is taking any measures to increase the availability and cost effectiveness of loans for renewable energy in rural areas, through the Rural Electrification Corporation; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): The Government has taken following major initiatives in coordination with different Ministries/Departments for mobilizing the low cost financing for renewable energy projects which inter-alia includes low cost borrowing through multi-lateral and bi-lateral agencies i.e. World Bank, Asian Development Bank, KfW Germany, etc.; inclusion of Renewable Energy Projects in Priority Sector Lending Norms of Commercial Banks; and approval forissuance of tax free infrastructure bonds for funding renewable energy projects during the FY 2015-16.

(b)&(c): Rural Electrification Corporation (REC) is providing Renewable Energy loans at the rate of interest which is 0.75% less than the Conventional Generation Projects. Moreover, there are no restrictions on the loan amount for Renewable Energy Projects and all projects found viable are eligible for funding.Further, in remote villages, Government is also providing grant through REC for Decentralized Distributed Generation under DeendayalUpadhyaya Gram JyotiYojana (DDUGJY).
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